BRITISH COLUMBIA

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highlights

a weekly digest of recently released British Columbia statistics

Population

- **During the second quarter of 1999, BC gained 1,336 people as a result of net migration from all sources.** This compares to an increase of 1,924 in the same period last year. A net inflow of people from other countries continued to offset a net outflow from BC to other provinces in the second quarter. Net international migration totalled 7,365 people, 9.3% less than in the second quarter of 1998 (8,124), and well below the levels seen earlier in the decade.

  The net outflow of population from BC to the rest of Canada continued in the second quarter, with a loss of 6,029 people. This was slightly less than the outflow in the second quarter of last year (6,200). BC lost people to every region except Quebec (+215) and Saskatchewan (+207). Alberta (-4,571) was the biggest beneficiary, receiving three-quarters of the net outflow. Ontario (-1,283), Atlantic Canada (-321), Manitoba (-195) and the territories (-81) also received more people from BC than they lost to the province.

  Source: BC STATS

- **After leading the country in terms of population growth during most of the 1990s, BC's rate of population increase has settled into a more moderate pace.** During the 12-month period ending July 1st, the province's population grew 0.7%. This was slightly less than the national average (+0.9%), and well below the rate of increase in Alberta (+2.0%), which has been Canada's fastest growing province since it overtook BC in mid-1997. BC is currently ranked third, after Ontario (+1.3%). The province's population was estimated at 4,029,253 on July 1st. *Source: Statistics Canada*

Labour Force

- **British Columbia's unemployment rate fell 0.6 percentage points, to 8.0% (seasonally adjusted) between August and September.** The decline in the unemployment rate occurred as the labour force shrank by 6,700 while the number of people with jobs in BC increased by the same amount. Both factors helped pull down the jobless rate.

  Unemployment rates were down in all four western provinces and Quebec. In Ontario, the jobless rate was unchanged at 6.4%, but it increased in all four Atlantic provinces. Overall, Canada's unemployment rate fell 0.3 points, to 7.5%. The improvement in the Canadian rate was attributable to a net employment increase of 63,800 (+0.4%), which was more than strong enough to absorb the addition of 25,800 (+0.2%) people to the labour force. *Source: Statistics Canada*

- **Males in BC remained much more likely to be unemployed than females.** The unemployment rate for men stayed at 9.4% (seasonally adjusted) in September. For women, the rate fell 1.4 points to 6.3% between August and September. Labour market conditions for men in the province have been deteriorating since May, when the jobless rate for males (8.5%) was about the same as that for females (8.3%). Nationally, 7.8% of the male, and 7.1% of the female, labour force was unemployed in September. *Source: Statistics Canada*

- **In the regions, unemployment rates ranged from a low of 7.0% (3-month moving average) in Kootenay to 10.2% in Cariboo, the only region where the jobless rate exceeded ten percent.** Residents of Vancouver Island/Coast also benefitted from a comparatively low unem-

Report **BC losing dominant position in world lumber markets**

Did you know...

British Columbians chalked up $4.2 million–an average of $1.63 per library user–in overdue library fines last year. The miscreants contributed about 3% of the total income received by libraries.

ployment rate (7.5%), as did those in Mainland/ Southwest (8.1%).

There are signs that labour market conditions are improving in some parts of the province. Unemployment rates in Kootenay and Vancouver Island/Coast were at their lowest level in more than four years. In Thompson/Okanagan (8.4%), the jobless rate was lower than it has been since last December. On the other hand, residents of Northeast BC (9.9%) are experiencing the highest rate of unemployment that they have seen since 1995, the first year for which these figures are available. *Source: Statistics Canada*

Self-Employment

- **The number of self-employed workers in the province fell for the sixth straight month in September, declining 1.4% (seasonally adjusted 3-month moving average) to 382,000.** The ongoing decline is part of a national trend that has seen the ranks of the self-employed shrink by 78,000 since last April. In BC, where the downturn began a month earlier, the number of self-employed workers has decreased by 32,500 since March. *Source: Statistics Canada*

The Economy

- **Wages, salaries and benefits earned by workers in the province increased 0.4% (seasonally adjusted) between June and July.** The increase in labour income was the first since April. Nationally, labour income rose 0.5% in July, led by strong gains in the territories (+2.2%) and PEI (+0.9%). Alberta (+0.7%), Manitoba (+0.7%), Ontario (+0.6%) and Quebec (+0.6%) also outperformed the national average.
  Source: Statistics Canada
- **The value of building permits issued by BC municipalities declined 2.3% (seasonally adjusted) between July and August**. Both non-residential (-3.1%) and residential (-3.1%) permits were weaker than in the previous month. Canadian permits were also down, falling sharply (-9.4%) as a three-month-long growth spurt ended. The value of permits fell in all but three of the thirteen regions. *Source: Statistics Canada*
- **The number of housing starts in British Columbia increased 5.5% (seasonally adjusted) between August and September.** Starts were up 3.7% at the national level.
  Source: Canada Mortgage & Housing Corporation

Homicides

- **British Columbia's homicide rate (number of homicides per 100,000 population) fell to its lowest level (2.24) since 1964 last year.** There were 90 homicides in the province in 1998, down from 116 in 1997. BC was one of five provinces where the homicide rate was above the national average (1.83). Among the provinces, PEI, where there were no homicides last year and New Brunswick (0.66) had the lowest rates. The highest rates were in Saskatchewan (3.12) and Manitoba (2.90). Canadian homicide rates have been declining since the mid-1970s, and last year the national rate reached its lowest level in 30 years. *Source: SC, Catalogue 85-002-XPE, Vol 19 No 10*
- **The use of firearms in homicides has been declining.** Last year, 27% of the homicides in Canada were committed with firearms. This was the lowest percentage since 1961, the year in which these statistics were first collected. The most common cause of death for homicide victims was stabbing (33%), followed by shooting (27%), beating (23%) and strangulation (11%). They were less likely to die as a result of fire (2%), poison (1%), shaking (1%), or other causes (2%).
  Source: SC, Catalogue 85-002-XPE, Vol 19 No 10

Library Use

- **British Columbians borrowed 44.9 million books, audio and video cassettes, CDs and other items from public libraries in 1998.** About two-thirds of the 3.9 million people with access to library services in the provinces were registered as borrowers last year. The average library user borrowed 17 items in 1998. Per capita circulation (based on the population with access to library services). was 12 items per person. Public libraries in BC have a print collection of 10.1 million volumes. They employed 1,925 people in 1998.
  Source: Ministry of Municipal Affairs, Public Library Statistics

highlights, Issue 99-40
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For data originating from Statistics Canada: data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the publication name or catalogue number.

October 8, 1999 *Infoline Report:*

British Columbia losing dominant position in world lumber markets

Contact: George Dufour / (250) 387-0376

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British Columbia still produces much of the softwood lumber shipped internationally anywhere in the world. But during the 1990s the province has become less prominent in world lumber markets than it once was, as producers elsewhere have increased production faster.

The change is inevitable, and not necessarily a bad thing. The rapid pace of economic development in many parts of the world is creating more demand for lumber, and other solid wood products than British Columbia can hope to meet with its finite forest resources. As would be expected, this increased demand has encouraged the development of new supply elsewhere in the world and stimulated technical advances in forestry and wood technology.

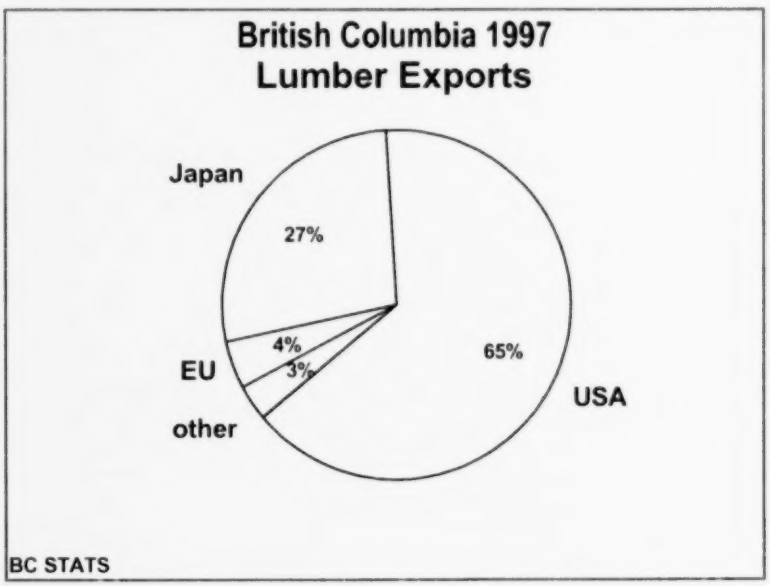
New forestry and wood production techniques can increase British Columbia's yield beyond current levels, but not indefinitely. As the volume of timber that can be harvested on a sustainable basis in British Columbia has been finding its limits, the focus has turned increasingly to value added processing, so that the same physical volume of wood can generate more wealth and jobs within the province itself.

Three main import markets absorb the vast bulk of forest products traded internationally – the United States, Japan, and the European Union. Figures collected by the United Nations indicate that these countries together absorbed 85 per cent of world exports of lumber in 1997; 68 per cent of pulp exports; 74 per cent of newsprint exports; and 61 per cent of exports of other papers.

B.C. Share of U.S. Lumber Market Slipping to Other Provinces

The United States stands out as the world's greatest importer of lumber. According to statistics originating from the United Nations, 39 per cent of all lumber traded internationally in 1997 was destined for U.S. markets. In dollar terms this amounted to $US 8.1 billion out of $US 21.0 billion of lumber traded worldwide.

British Columbia has long been the most important single supplier of U.S. lumber imports, shipping over half the total. As the size of the U.S. market for imported lumber has grown during the 1990s, the value shipped from British Columbia has increased. But even though the value of lumber exported from British Columbia to the United States more than doubled between 1990 and 1997 in U.S. dollar terms, it could not keep up with the rapid expansion in U.S. demand. The province's share of total U.S. lumber imports shrank from an estimated 59 per cent at the beginning of the decade to 49 per cent in 1997.



The extra demand was met mainly by wood from other Canadian provinces. Taken as a whole, other provinces increased their share of total U.S. lumber imports

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from 37 per cent in 1990, to about 43 per cent in 1997.

U.S. lumber imports from other countries have so far been very small. However they are growing. Chile, for example, supplied 1.3 per cent of U.S. lumber imports in 1997, up from 0.6 per cent in 1990. Mexico supplied 1.4 per cent, up from 0.6 per cent in 1990.

British Columbia Is Japan's Main Source For Softwood Lumber, But Not For Logs

British Columbia's share of the Japanese market for imported softwood lumber is even larger in percentage terms than its share of the United States lumber market. Fifty-two per cent of Japanese lumber imports in 1997 were secured from British Columbia, as compared to 49 per cent of U.S. lumber imports. One of the main reason for this is that lumber exporters in other provinces have so far made little headway in this market.

Only 3 per cent of Japanese softwood lumber imports in 1997 were from other provinces. In dollar terms, Japanese lumber imports from British Columbia amounted to $US 1,662 million in 1997, compared to $US 87 million imported from other provinces, and $US 1,422 million from other countries.

Although the dollar value of Japanese lumber imports from British Columbia has varied considerably from year to year, the province's share appears to have changed relatively little over the years. Between 1990 and 1997 there was a small drop from 54 per cent to 52 per cent, as the portion of Japanese lumber imports supplied by other provinces rose from virtually zero to 3 per cent. British Columbia's share was estimated at 55 per cent in 1980, and 50 per cent in 1970.

But these figures could overstate British Columbia's competitive position in the Japanese market. British Columbia lumber producers face indirect competition in Japan from countries shipping large volumes of softwood logs to that country. Japanese imports of softwood logs were valued at $US 1,916 million in 1997, of which $US 1,170 million originated in the United States.

Restrictions on exports of logs throughout most of Canada keep Canadian log exports low. But much of the timber cut in the United States is not subject to export restrictions, so that U.S. exporters are able to supply huge volumes of softwood logs overseas.

The $US 1,170 million of logs shipped by U.S. suppliers to Japan in 1997, compared with $US 490 million of lumber shipped from the United States to Japan in that year. By contrast, Canadian exporters shipped only $US 11 million worth of softwood logs to Japan in 1997, and $US 1,749 million of softwood lumber.

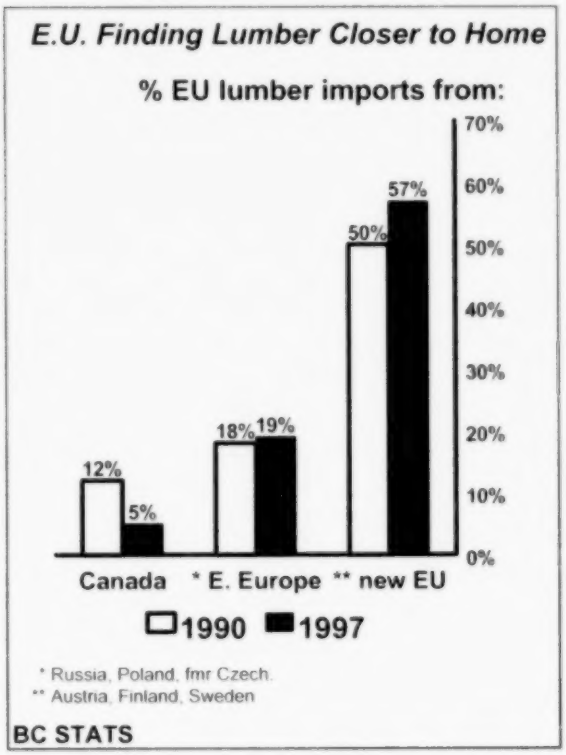
E.U. Lumber Markets Supplied Increasingly From Local Resources

British Columbia's share of the European Union (E.U.) market for imported lumber has traditionally been very small by comparison with its share of the American and Japanese markets. It has shrunk further during this decade, as the province has lost market share to competition from eastern Europe, and to suppliers within the E.U itself.

During the 1990s, Austria, Finland and Sweden have all acquired membership in the European Union. Their accession to the Union has provided it with new domestic lumber resources, and likely stiffened its resistance to lumber imports from external sources.

All three countries were important suppliers of softwood lumber to the E.U. before they became members themselves. In 1990 they already accounted for 50 per cent of all lumber imports by E.U. member countries, including both imports from outside the Union and from other E.U countries. After joining the Union in 1995, Austria, Finland and Sweden expanded their shares further. By 1997, their combined share of all lumber imports by E.U. countries had risen to 57 per cent.

Over the same period, British Columbia's share of the same market fell from 8 per cent, to 4 per cent. The share for Canada as a whole fell from 12 per cent to 5 per cent.



In dollar terms, the value of lumber imports by all E.U. countries from Austria, Finland and Sweden rose from $US 3,310 million in 1990, to $US 3,781 billion in 1997, as imports from British Columbia fell from $US 557 million to $US 255 million.

British Columbia lumber exporters have also been facing growing competition in the E.U. market from other sources. The province's share of all E.U. lumber imports *from outside the Union* dwindled from 22 per cent in 1990, to 12 per cent in 1997. The total Canadian share shrank from 30 per cent to 15 per cent. In dollar terms the decline was from $US 557 million to $US 255 million for British Columbia, and from $US 770 million to $US 302 million for Canada as a whole.

This market share was mainly lost to former Soviet block countries. As the Canadian share of E.U. lumber imports from outside the Union fell from 30 per cent to 15 per cent, the combined share of Russia, Poland and the former Czechoslovakia climbed from 45 per cent to 62 per cent.

In dollar terms, softwood lumber shipped to the E.U. from these East European countries amounted to $US 1,281 million in 1997, far exceeding the $US 255 million from British Columbia, and the $US 302 million from Canada as a whole.

In addition to lumber, East European suppliers also shipped $US 439 million of softwood logs to be milled in E.U. countries. Log exports from Canada to the E.U. were negligible.

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Infoline

October 8, 1999

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BC at a glance . . .

POPULATION (thousands)	Jul 1/99	% change on one year ago
BC	4,029.3	0.7
Canada	30,568.0	0.9
GDP and INCOME		
(BC - at market prices)	1997	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	109,347	3.3
GDP *($ 1992 millions)*	98,201	2.2
GDP *($ 1992 per Capita)*	24,775	0.1
Personal Disposable Income *($ 1992 per Capita)*	16,340	-2.3
TRADE ($ millions)		
Manufacturing Shipments (seas. adj.) Jul	3,075	10.6
Merchandise Exports (raw) Jul	2,491	9.0
Retail Sales (seasonally adjusted) Jul	2,805	1.2
CONSUMER PRICE INDEX		
(all items - 1992=100)	Aug '99	% change on one year ago
BC	111.8	1.3
Canada	111.1	2.1
LABOUR FORCE (thousands)		
(seasonally adjusted)	Sep '99	% change on one year ago
Labour Force - BC	2,064	0.9
Employed - BC	1,899	1.2
Unemployed - BC	165	-1.9
		Sep '98
Unemployment Rate - BC *(percent)*	8.0	8.2
Unemployment Rate - Canada *(percent)*	7.5	8.3
INTEREST RATES (percent)	Oct 6/99	Sep 30/98
Prime Business Rate	6.25	7.25
Conventional Mortgages - 1 year	6.80	6.50
- 5 year	7.70	6.75
US/CANADA EXCHANGE RATE	Oct 6/99	Sep 30/98
(avg. noon spot rate) Cdn $	1.4695	1.5288
US $ *(reciprocal of the closing rate)*	0.6805	0.6566
AVERAGE WEEKLY EARNINGS		
(industrial aggregate - dollars)	Jul '99	% change on one year ago
BC	627.86	1.1
Canada	614.36	1.3

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Earnings } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bank-banque-canada.ca/english/wfsgen.htm

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- Tourism Room Revenue, June 1999
- Migration Highlights, Second Quarter, 1999

Next week

- Labour Force Statistics, September 1999

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